@: New Vision Prints 08039103322, 08050933180

NIGER STATE PUBLIC - PRIVATE
PARTNERSHIP AGENCY

Governor's Office

Operational Manual
For Public Private Partnership
in Niger State

Office Location:
Ground Floor, Tanko Beji House,
No 51, Bosso Road : Minna, Niger State.

NIGER STATE PUBLIC - PRIVATE PARTNERSHIP AGENCY GOVERNOR'S OFFICE

Operational Manual For Public Private Partnership In NIGER STATE

Office Location:
Ground Floor, Tanko Beji House,
No 51 Bosso Road-Minna, Niger State.

TABLE OF CONTENT

Forward	i
Preface	ii
Vision and Mission	iii
CHAPTER ONE	
Introduction	1
PPP Operating Emphasis	2
PPP Enabling Environment	2
PPP Focus in Niger State	2
PPP Stakeholders	3
Why PPP	3
Challenges of PPP	4
PPP Prospects in Niger State	4
PPP Guiding Principles	5
The Element of Risk	5
Risk Assessment	6
Risk Evaluation	6
Risk Identification	7
Risk Mitigation Strategies	7
CHAPTER TWO	
Functions of PPP Agency	8
Ingredients for a Successful PPP	9

Operational Manual For Public Private Partnership In Niger State

CHAPTER THREE	
Models/Forms of PPP	11
CHAPTER FOUR	
PPP Project life cycle	13
PPP Phase Implementation process	15
CHAPTER FIVE	
Policy Objectives and Implementation	18
CHAPTER SIX	
Steps in Implementing process by MDAs	23
Registration Category	24
CHAPTER SEVEN	
A typical content of PPP Agreement	26
APPENDIX	
PPP Agency Organogram	30

FOREWORD

The Public Private Partnership Agency in Niger State was conceptualized in 2007 due to the decaying nature of the state infrastructures and continue search for global best practices. This led to the passage of the PPPA law in 2011 and the establishment of PPP Agency to co-ordinate, regulate and monitor all PPP activities in the State.

The PPPA with legal and regulatory framework has been a major policy thrust of the Niger state government in its bid to achieve vision 3:2020 through institutional changes and infrastructural development.

The contribution of PPP towards the development of Niger state cannot be underestimated as it is useful in almost all aspects of life. It is evident that the government alone even at the best of times cannot afford to provide infrastructural requirement which are needed for the economic development; thus there is the call for the intervention of the private sector. Public Private Partnership is therefore a necessary and important instrument for the attainment of sustainable development.

The Agency will be a one stop business centre for Public Private Partnership in Niger state devoid of frustrating bureaucratic delays and will facilitate the co-ordination between project initiating ministries, agencies of government and the private investors.

The stack reality is that PPP offers the only realistic route to the actualization of Nigeria potentials and in Niger State we are determined to show the light for others to follow the way.

Long Live Niger State

Long Live the Federal Republic of Nigeria.

The Chief Servant,
Dr. Mu'azu Babangida Aliyu, CON,
(Talban Minna),
Executive Governor, Niger State.
2013.

Operational Manual For Public Private Partnership In Niger State

PREFACE

The government of Niger State under the able and amiable leadership of the Chief Servant Dr. Muazu Babangida Aliyu CON has been making frantic effort since the inception of the administration in 2007 in the provision of infrastructure through Public Private Partnership Agency.

This effort faced great challenge of weak capacity of the institutions to identify and package viable PPP projects, other challenges to this effort includes understanding PPP concept, project selection and preparation, risk identification and allocation, tendering and procurement process, financing, lack of transaction advisors, feasibility studies, monitoring and evaluation and weak investors/developers etc.

It is in this regard that the Niger state Public Private Partnership Agency packaged this manual to serve as a quick simple guide to MDAs in identifying and packaging PPP projects in order to have effective and efficient implementation of the packaged project.

These challenges has impeded the efforts of the state in provision of infrastructural services of world class standard delaying the realization of our cherished dream of being one of the three top economies in the country by the year 2020.

These operational manual sets out the steps that MDAs will take to ensure that private investment is used, where appropriate to address infrastructure deficit and improve public services in a sustainable way. The manual is also in line with government commitment to transparency, accountability and private investor engagement which will follow international best practice and to be achieved through open competition.

Shehu Kudu Mohammed
Director General,
Public Private Partnership Agency,
Niger State.

VISION

To make Niger state an economically competitive state through the popularization and usage of PPP concept

MISSION

To create economic friendly business environment, promote the economic potential of the state and establish effective linkages between stakeholders for socio-economic and industrial development through value addition strategy of PPP.

CHAPTER ONE

INTRODUCTION

Preamble

Demand for basic infrastructure services has grown over the years, outstripping the supply capacity of existing assets. Many years of non-investment and or under investment combined with poor maintenance of the existing infrastructures have left the state with a significant infrastructure deficit, which is holding back the state's economic growth and development.

The state needs to make massive investments beyond the means available to government in order to close its demanding infrastructure gap and realize the state's vision 3:2020. The government believes that the private sector can play a vital role in providing the needed new investments through Public Private Partnership (PPPs).

A Public-Private Partnership (PPP) is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility.

As Nigeria's population increases yearly, the availability of funds to government (both at federal, state or local government level) dwindles because of the competing needs for execution of capital projects, huge increase in recurrent expenditures, pressure on provision of social services, etc.

In recent years, government in different countries have made significant progress in the development of infrastructural projects and funding of public facilities and services through involvement of the private sector under the public private partnership arrangement.

PPP Operational Emphasis

All PPP project arrangements in Niger state must commence, continue and end with the Niger State Public Private Partnership Agency (NSPPPA) in line with global best practices and the state vision 3:2020.

PPP Enabling Environment

The law establishing Niger State Public Private Partnership Agency was passed in 2011 with the mandate to co-ordinate all PPP transactions and activities, regulate, monitor and evaluate compliance with terms and conditions of PPP agreement, ensure compliance with the provision of the PPP law among others. The NSPPPA will collaborate with MDAs and LGAs as well as communities for effective and efficient execution of PPP projects in the state and to accelerate the development of markets for PPP projects.

PPP Focus in Niger State

- Infrastructure
- Agriculture
- Education
- Health
- Water

- Science and Technology
- Tourism
- Industry
- Housing
- Airport
- Transportation etc.

PPP Stakeholders

The constitution of PPP stakeholders depend on the type of project and PPP model adopted. The PPP stakeholders can include:

- Public Sector (Ministries/Government Agencies)
- Private Sector (bidders, procuring)
- Non- Governmental Organization
- Community Base Organization
- Consultants (Advisors)
- Financiers (fund)
- Civil Society Organization
- General Public (individual key player-community head or Member).

Why PPP

i. Undersupply of infrastructure
ii. Undersupply and inefficient operation of services
iii. Accelerated multimodal demands for infrastructure and services
iv. Accessibility and affordability of services

V. Growing cost of acquiring and operating infrastructures and service delivery
vi. Value for money
vii. Technology transfer
viii. Operating inefficiency
ix. Deteriorating facilities
x. Inadequate maintenance
xi. Poor Service delivery
xii. Low cost recovery

Challenges of PPP

i. Transaction Advisor
ii. Feasibility report
iii. Monitoring and Evaluation
iv. Weak Investors/Developers
v. Financiers (Short term loan)
vi. Unfavourable Environment
vii. Weak Infrastructure

PPP Prospects in Niger State

i. Decrease operation & management cost
ii. Increase equity investment
iii. Create additional source of revenue
iv. Price capping
v. Create financing/subordinated debt
vi. Government guarantee on a trench of project debt

Vii. Borrow with a grace period
iii. Defer principal repayment
ix. New investment
x. Efficient management
xi. Appropriate technology
xii. Consumer protection.

PPP Guiding Principles

The summary of principles of PPP operations are:

i. Protecting the Public's interest
ii. Ensuring open markets access and competition
iii. Ensuring full compatibility between PPP arrangement and state laws
iv. Defining the right level of financing contributions
v. Selecting the most suitable PPP type.
vi. Identifying success and constraint factors
vii. Timing early stage negotiation among partners is very important in PPP arrangement and
viii. Recognising government's financing objectives and the best use of the finance.

The Element of Risk

i. Chance of occurrence
ii. Unfavourable or harmful impact
iii. Duration of exposure

Risk management is a systematic approach to dealing with risk which should include processes to deal with risk identification, classification and allocation, i.e. Risk Analysis, Risk Response, Risk Monitoring and Control including Risk Recovery and Risk Outcome Recording and evaluation.

Risk management also involves the identification, mitigation evaluation and control. The identification of risk should be followed by a search for solution that can ameliorate or eliminate this risk.

Risk Identification

i. Through the use of personal and corporate experience
ii. Through safety reviews and site visits
iii. Through initiatives insights
iv. Through brainstorming
v. Through the use of organizational charts and flow charts.
vi. Through research, interviews and surveys
vii. Through consultation of experts

Risk Evaluation

i. The probability (chance) by which they can happen
ii. Their ultimate impact on the project, if they do occur

Risk Assessment

i. Assess every risk as it is and model the price via probability
ii. Assess only the main risks
iii. Bench marking
Iv. Adjudication in risk evaluation

V. Reactive risk assessment
vi. Proactive risk assessment
vii. Sensitivity analysis in risk assessment

Risk Mitigation Strategies

i. Risk elimination
ii. Risk reduction
iii. Risk interference
iv. Risk retention

Risk mitigation tools include Guarantees, Letter of Credit (LOC), Bids Bonds, Performance Bonds, Surety Bonds, Insurance, Risk Premium and Risk Adjusted Discount Rate.

CHAPTER TWO

NIGER STATE PPP AGENCY AT A GLANCE

Functions of Niger State Public Private Partnership Agency

The Agency has the mandate of facilitating infrastructural development and investment in Niger State with her major functions to include the following:

i. Coordinating all PPP transactions and activities in the State.

ii. Regulate, monitor and evaluate compliance with terms and conditions of such PPP Agreement.

iii. Report progress and anomalies identified from ii above to the Governing Council chaired by the Deputy Chief Servant with appropriate recommendations within five working days.

iv. Retain and keep in custody of the Agency and relevant MDAs copies of concession, PPP Agreements, and Memorandum of Understandings of PPP Projects undertaken.

v. Ensure efficient execution of any PPP Agreement or contract entered in to by the government.

vi. Ensure compliance with the provision of the law and other relevant laws.

vii. Perform such other duties as may be directed by the Executive Governor, from time to time, or as are necessary or expedient to ensure the efficient performance of the functions of the Agency under the law.

In addition, Section 19 sub-section (3) of the law establishing

NSPPPA provides that ' In entering into any contract or partnership or granting any concession under section 18 of the law, the Niger State Government Ministries, Agencies, Departments, Local Government Councils or body shall ensure that the project's private promoter possesses the financial capacity, relevant experiences in undertaking such infrastructure and socio-economic project development or maintenance.

The Agency shall have the right to reject or consider UNSOLICITED PROPOSAL or call for expression of interest from the public on the project (s) in Unsolicited Proposal(s), submitted by a prospective investor, where such proposal is viewed to be in the interest of Niger State and provided such prospective investor is given the opportunity to partake in the expression of interest, in accordance to Section 24 of NSPPPA law.

Ingredients for a Successful PPP

It is important to note that all Public Private Partnership arrangements and projects must commence, continue and ends with PPP Agency under the following ingredients:

- For a successful PPP there must be statutory foundation or appropriate laws/legislation for the imnlementation of the partnership programme with detailed contractual agreement signed and provisions made for.
- There must be adequate publicity and mass education of the citizenry by the government to elicit understanding of good

intentions of the PPP and minimize misconception. Effective communication with all stakeholders is key.

- There must be the political will by the leadership and serious commitment from the top. Furthermore, top civil servants must buy into each of the PPP models adopted for selected projects.
- PPP projects must be monitored and evaluated by an appropriate Public Sector Agency
- Each PPP project must be well conceived with all cost and benefits properly evaluated while the most competent private sector partners are selected for its execution.
- Existence of an enabling environment is a critical issue to a successful PPP.
- Minimization or if possible elimination of bureaucratic bottle-necks that can frustrate project development and management.

CHAPTER THREE

MODELS/FORMS OF PPP

There are many forms, types and models of PPP and they continuously being developed, modified or improved upon to suit specific project. The main defining features are the degree of private sector involvement and control in the management and financing of a particular project.

There can be no one generic or best model of PPP structure because to a large extent it depends on the agreement of the partners and type of project. The types and models of PPP include:-

1. Build Operate Transfer (BOT): A private entity builds, operates and transfers ownership to the public sector after some years of operation.
2. Operate and Maintain Contract (O & M): Here a private sector entity operates a government asset for an agreed period of time while ownership remains with the government.
3. Design Finance Build Operate (DFBO): Here the private sector contracts a facility, operates it for a period of term under lease. Depending on the contract agreement, the facility may be transferred to government or government partakes in the generated revenue.
4. Build Own-Operate (BOO): The private sector finances, builds, owns and operates a facility or service in perpetuity.
5. Design Build (DB): Here the private sector constructs an infrastructure.
6. Build Own Operate Transfer (BOOT): Projects of the (BOOT)

type involve a private developer financing, building, owning and operating a facility for a specified period. At the expiration of the specified period, the facility is returned to the government.

7. Buy Build Operate (BBO): Transfer of a public asset to a private entity usually under contract that the asset are to be upgraded and operated for a specified period of time Public control is exercised through the contract at the time of transfer.

8. Joint Venture-Operate (JVO): Public and private Entities form joint venture equity and the private entity operates the entity perpetually.

9. Concessioning: Operate and control an existing facility over an agreed term. Usually user fees are charged for these facilities with public control and monitoring.

10. Operation-License: A private operator receives a license of right to operate a public service usually for a specified term.

11. Outsourcing: Public entities usually give out non-core operations of its activities to private entity to handle.

12. Finance-Only: A private entity, usually a financial service company, funds a project directly or uses various mechanisms such as a long-term lease or bond issue.

13. Lease Develop Operate (LDO): This type of project involves a private developer being given a long- term lease to operate and expand an existing facility. The private developer agrees to invest in facility improvements and can recover the investment plus a reasonable return over the term of the lease.

The above models are common but not exhaustive under the PPP.

CHAPTER FOUR

PPP PROJECT LIFE CYCLE

Stage 1 Project Identification

- Needs analysis
- Evaluation of projects
- Preparation of long list of projects
- Review of long list by LGAs/MDAs and NSPPPA
- Develop consolidated list of projects for implementation.

Stage 2 Investment

- Engagement of financial advisory services
- Creation of project steering committee
- Stakeholder's workshop on project technical, financial and social viability
- Preparation of feasibility studies
- Approval of tender

Stage 3 Procurement

- Prepare bidding documents/agreements
- Invitation for Expression of Interest(EOI)
- Prequalify bidders
- Issue RFP
- Bidders Conference
- Bid submission, evaluation and selection.

Stage 4 **Negotiation**

- Commence negotiation after preferred bidder is selected
- Develop negotiation strategy
- Negotiation will identify
- Non negotiable items
- Obstacles to negotiation
- Post RFP event
- Risk Management strategy
- Negotiation parameter
- Strategy to land negotiations
- Performance parameters.

Stage 5 **Project Monitoring**

- Create a monitoring team
- Team participates in negotiation
- Develop monitoring team for
  - Contract Execution
  - During Construction
  - During Operation
  - Contract expiry and transfer of asset.
- Prepare and secure budgets for contract monitoring
- Insure monitoring plans
- Monitor and direct contingent's liabilities.

PPP Phase Implementation Process

Phase I – Inception

Register the project with NSPPPA

Appoint project officer.

Appoint transaction advisor (External made up of legal, financial and technical expert)

Phase II **Feasibility Study**

Situation / need analysis

Cause effect / option analysis

Stakeholder analysis

Objective analysis

Alternative analysis

Risk analysis (probability of each occurring, value of each risk, and strategy and cost of mitigation)

Project due diligence

Value assessment

Public sector comparator

PPP preference model

Sensitivity analysis

Economic valuation / cost appraisal

Develop project logical framework

Procurement plan

Financing model l l

Phase III **Pre-procurement plan**

Prepare Bid document
Prepare Bid document
Establish open, transparent and competitive process
Advertise NCB, ICB, NS, GPN
RFQ Request for quality
Prepare draft PPP2 agreement

Note: FRQ criteria Certificate of incorporation, company profile, audited account for three years, tax certificate for three years, banks statement and Expression of Interest (EOI)

Phase IV **Procurement**

Pre-quality parties Issue request for proposal with draft PPP Agreement
NSPPPA to issue Yellow Approval III to the MDA
Receive bids
Compare bids with feasibility study and each other
Select preferred bidder
Prepare value for money report
Seek Board / Council approval

Phase V **Negotiation**

Negotiate with preferred bidder
NSPPPA to issue green approval IV to the MDA
Finalize PPP agreement management plan
PPP agreement signe

Phase VI **Project Preparation Period**

Phase VII **Implementation, Construction and Development**

Measure output
Monitor and regulate performance
Liaise effectively
Settle disputes

Phase VII **Delivery**

Report progress (periodic reports)

Phase IX **Operation and Maintenance**

Operation and maintenance management plan

CHAPTER FIVE

POLICY OBJECTIVES AND IMPLEMENTATION

OBJECTIVES: Step One

To enhance government capacity to develop integrated solutions to infrastructural problems

STRATEGIES: Step One

i. To establish the PPP Agency for the implementation of the policy in the office of the Governor

ii. To appoint PPP desk officer in each MDAs.

iii. To develop guidelines for the implementation of PPP Projects

OBJECTIVES: Step Two

To collaborate with major stakeholders for PFI and PPP

STRATEGIES

i. To identify the major stakeholders from the Private Sector, Financial Institutions, Community Base Organizations, Non-Governmental Organizations, Donor Agencies and Development Partners

ii. To sensitize the stakeholders in other to understand the state government positions and responsibilities through conferences, workshops, seminars, annual reports, bulletins, flyers and mass media.

iii. To enter into suitable understanding such as MOUs and MOAs with relevant stakeholders.

OBJECTIVES: Step Three

To facilitate creative and innovative approaches to service delivery for socio-economic and industrial infrastructural development

STRATEGIES

i. To allow bidder to compete on the basis of their competencies, experiences and financial capacity for projects through advertisement or due diligence by the PPPA and MDA using due process strategies.

ii. To provide proper feasibility research and technical assessment for timely project delivery.

iii. To conduct proper screening process to determine project viability, sustainability and the value for money.

iv. To ensure close monitoring and evaluation of projects.

OBJECTIVE: Step Four

To reduce the cost and duration of projects implementation

STRATEGIES

i. To establish synergies and networking among stakeholders by proper understanding of the project by the negotiators involved for a symbiotic relationship

ii. Using best practices to achieve reduction in life cycle cost by appropriate prioritization of resources and timing.

iii. To discourage design changes during project implementation to avoid unnecessary project delay, cost and time variation

iv. To incorporate reward for the Private Partner on-time project completion through more patronage, award of plaque and publicity of the private partner.

OBJECTIVES: Step Five

To share the project risk level among partners.

STRATEGIES

i. To identify and share risk level according to abilities of the private partners in view of the technical expertise and efficiency

ii. Residual risks are to be retained by Public partner for proper actualization of project.

OBJECTIVE: Step Six

To assess skills, experience and technology of the private partners periodically on the project

STRATEGIES

i. To ensure private partner expertise are on the team during technical project analysis

ii. To ensure proper transfer of technology from local project participants

iii. To ensure that PPP project are developed with new skills, technology know-how for public partners and value reorientation

OBJECTIVE: Step Seven

To source for private partners and investors for PPP Projects

STRATEGIES

i. To publicize all the viable projects of PPP using relevant media

ii. To identify and evaluate PPP projects and investor according to set standards and criteria

iii. To encourage private sector operators to form better consortium to participate at various PPP projects in the state with appropriate incentives

OBJECTIVE: Step Eight

To ensure efficient and effective performance of PPP project

STRATEGIES

i. To provide sufficient information and amenities to meet the needs of the private partners on the Project

ii. To provide enabling environment for project execution

iii. To provide allowances for relevant linkages with other service providers that will enhance efficient and effective productivity

iv. To promote professionalism directly or indirectly.

v. To undertake quantitative and qualitative performances and evaluation of the process

OBJECTIVE: Step Nine

To fund the implementation of PPP projects

STRATEGIES

i. To source for fund from government subventions, grants public-private venture capital and from international donor agencies

ii. To source for fund from bilateral, multi-lateral organization/agreements and from consultancy and other services

iii. To source for fund from banks, capital markets and financial institutions

iv. To develop innovative financing mechanisms

OBJECTIVE: Step Ten

To ensure compliance with Policy and regulations framework

STRATEGIES

i. To administer MOU/MOA

ii. To liaise with other PPPA and ICRC for expertise advice

Iii. To collaborate with the ministry of justice and other legal regulatory enforcement agencies

iv. To institute litigation where necessary

CHAPTER SIX

STEPS IN IMPLEMENTING PPP PROJECTS BY MDAs

Every PPP project by the MDAs is to be undertaken with collaboration and consent of NSPPPA for effective coordination right from conception, identification, packaging, through procurement, negotiations and implementation as well as monitoring and control. The logical steps are

- Each MDA is to appoint PPP Desk Officer
- MDA is to identify viable PPP project
- MDA is to appoint project officer for the identified PPP project.
- MDA is to appoint Transaction Advisors for the identified PPP project
- MDA is to ensure that the identified PPP project is captured in the state budget estimate for the year in question.
- The MDA is to register the identified project with NSPPPA for registration certificate.
- The MDA is to conduct feasibility study on the identified PPP project and filled the NSPPPA PPP project format A-N for Red Approval I.
- The identified project by the MDA is to undergo pre-procurement phase.
- Prepare Bid document
- Establish open, transparent and competitive process
- Advertise through NCB, ICB, NS, GPN
- RFQ request for qualification

- Prepare draft PPP agreement

Note: FRQ criteria Certificate of incorporation, company profile, audited account for three years, tax certificate for three years, banks statement and Expression of Interest (EOI)

- Investors vying for the identified PPP project must register with NSPPPA and other relevant organs in the state.

Registration category is enumerated below.

S/N	Category of Investors/developers	Rate (₦)
1.	Investment below ₦100million	100,000.00
2.	Investment below ₦100- 200 million	200,000.00
3	Investment below ₦ 251- 500 million	350,000.00
4	Investment below ₦ 500- 1 million	400,000.00
5	Investment above ₦ 1 billion	700,000.00

The identified project by the MDA is to undergo procurement phase. Activities involved in this phase are:

- Pre-quality parties
- Issue request for proposal with draft PPP Agreement
- Receive bids
- Compare bids with feasibility study and each other
- Select preferred bidder
- Prepare value for money report

- Seek Board / Council approval
- The identified project by the MDA is to undergo negotiation phase.

The activities under this phase are:

- Negotiate with preferred bidder
- Finalize PPP agreement management plan
- PPP agreement signed
- Appropriate NSPPPA certificate of approval must be sighted before any payment is made to the MDA/investor by the Government.
- The approved PPP project by the MDA is to undergo implementation / construction / development phase.

  Major activities carried out among the project stakeholders are:

- Measure output
- Monitor and regulate performance
- Liaise effectively
- Settle disputes
- The project is to undergo delivery phases with the periodic reports provided by the stakeholders.
- The project then undergoes exist phase into project commissioning, operation and maintenance through scrutiny by the Government NSPPPA Board.

CHAPTER SEVEN

A TYPICAL CONTENT OF PPP AGREEMENTS

There are provisions that appear in virtually all PPP contracts. The foregoing list is not exhaustive. The number and subject matter of such provision varies from project to project, and is informed by the ingenuity of parties' legal advisors, local custom and practice, and legislative requirements. It is, however, illustrative of the matters that government must be aware of when embarking upon any PPP. PPP contractual agreements include amongst others the following:

- **Interpretation**: Sets forth the definitions of important terms and providing guidance on the interpretation of the contract's provisions
- **Description of the term of the Project**: Defines the length of the contract and whether it may be extended
- **The objective of the Contract**: Describes the intent of the undertaking
- **The requirement for performance bonds**: Provides security for government if the construction and/or the service delivery falls below standards
- **Insurance Requirements**: Provides security for the insurable matters within the ambit of the project
- **Delay Provision:** Describes what is and is not an excuse for a delay in construction or operations and describes the remedies and penalties for such delay

- **Force Majeure**: Describes what constitutes a force majeure event and what the consequences are of its occurrence
- **Government Action**: Describes what actions by government hat affect the contract which may give rise to a change in the terms and conditions of the contract, and how these are effected
- **Government Warranties**: Describes what warranties government is making in terms of the project
- **Private Sector Warranties**: Describes the warranties that the Private Sector is making in terms of the project
- **Change in the Law**: Similar to governmental action describes what the consequences are if the law is changed
- **Variations**: Sets forth the procedures to be followed when either part to the PPP contract wishes to change any material portion of the contract
- **Termination:** Describes the conditions under which either party may terminate the contract, the processes to be undertaken in that regard, and the consequences to each party of a termination
- **Indemnification**: Describes how and under which circumstances either party may be called upon to indemnify the other because of a given circumstance
- **Intellectual Property**: Describes the rights of each party to any intellectual property brought to the project or created during the project, including the steps to be taken to protect the intellectual property of third parties, such as IT software manufacturers.

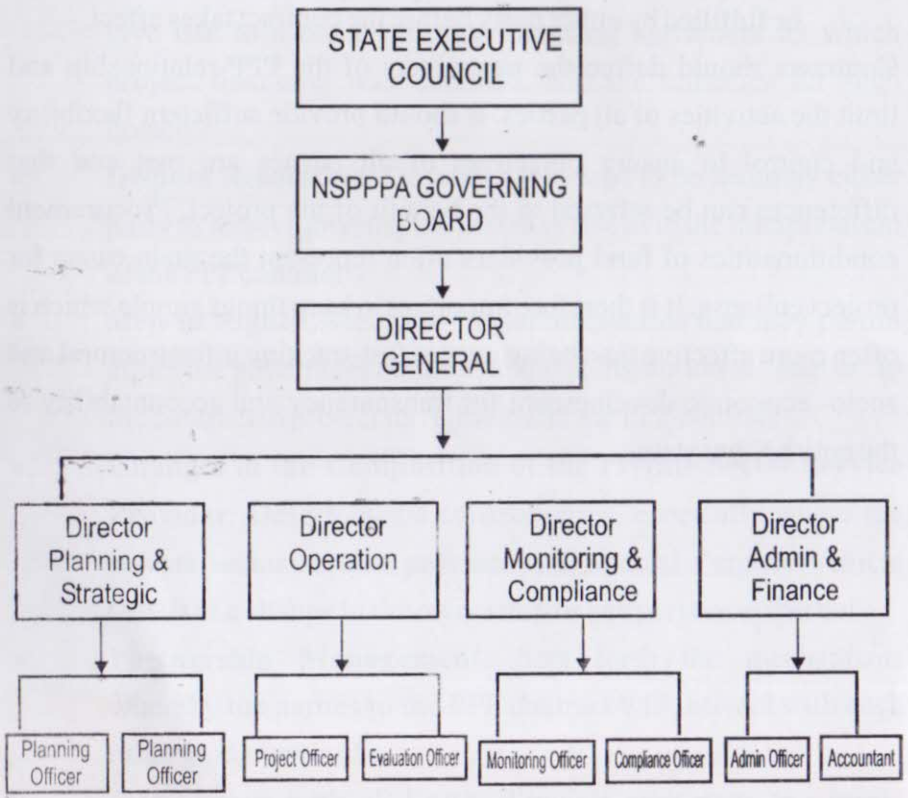
- **Claims**: Sets forth the procedures to be followed when either party has a claim against the other
- **Financial Security**: Defines the action of either party that may give rise to a breach of any financing agreement by which project financing was obtained, and the remedies for such breach
- **Dispute Resolution**: Describes the steps to be taken by either party to resolve any dispute that may rise as to the interpretation of the PPP contract
- **Step-in Rights**: Sets forth the circumstances that may permit either the government or any financial institution to "step in" to the contract to protect its rights under the PPP contract
- **Changes in the Composition of the Private Sector Service Provider**: Describes the consequences, especially where the private sector service provider is a Special Purpose Vehicle (SPV) of a change in the ownership or key personnel thereof
- **Partnership Management:** Sets forth the mechanisms whereby the parties to the PPP contract will interact with each other going forward.
- **Compliance with all Laws**: Requires each party to comply with all laws pertaining to the project, including obtaining environmental, zoning, planning and other permits
- **Personnel**: If the PPP contract involves taking over government employees, describes the manner in which those employees are employed by the private sector service provider,

including any restrictions on terminations or redundancies for operational reasons and

- **Conditions Precedent**: Describes any conditions precedent to be fulfilled by either party before the contract takes effect.

Contracts should define the parameters of the PPP relationship and limit the activities of all parties. It should provide sufficient flexibility and control to ensure objectives of all parties are met and that differences can be referred to the benefit of the project. Procurement conditionalities of fund providers often represent the main cause for project collapse. It is therefore important to keep things simple which is often more effective than being over in fast-tracking infrastructural and socio- economic development for transparency and accountability to the entire Niger state.

APPENDIX


STATE EXECUTIVE COUNCIL
NSPPPA GOVERNING BOARD
DIRECTOR GENERAL
Director Planning & Strategic
Director Operation
Director Monitoring & Compliance
Director Admin & Finance
Planning Officer
Planning Officer
Project Officer
Evaluation Officer
Monitoring Officer
Compliance Officer
Admin Officer
Accountant


Niger State
Development Focus
Artist's Impression of proposed
New Government House, Minna


Niger State
Development Focus
Artist's Impression of proposed
Governor's Residence, Minna


Niger State
Development Focus
Artist's Impression of proposed
City Centre Tower, Minna